

Translation

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In Affiliation with  
Weil, Gotshal & Manges LLP

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Contract

Purchase & sale of the assets owned by

The Arab Iron Factory

Egyptian Joint Stock Company

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88 Marghany St. Suite no. 3  
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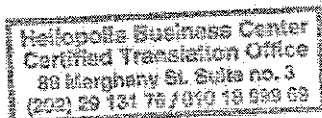
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ASSET PURCHASE CONTRACT

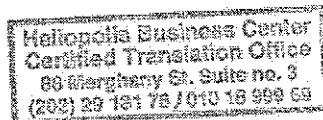
Today //, the //-Feb-2000, this contract was entered between  
the following parties:

- I- **The Arab Iron Factory Company**, Egyptian Joint Stock Company, established as per the law no. 159/1981, Egyptian company, commercial register no. 556 / Giza/ 1995, address: land parcel no. 4 – Industrial Zone A3 – El-Sheiref land complex – Tenth of Ramadan City - Sharkia Governorate, the legal address for notifications and warnings: the office of Mr. Sarwat Abdel Shahid, lawyer before cassation courts, 20 Adley St., Cairo, represented herein by **Mr. Ramy Remoun Michael Lakah**, in his capacity as the delegate of the company ordinary general assembly.

Herein referred to as the "SELLER"

- II- **Egypt Steel Group**, Egyptian Joint Stock Company, established under the Investment Law no. 8 /1997, commercial register no. 35914 / Port Said, address: land parcel no. 1 East Port Said – Port Said Governorate, represented herein by **Mr. Hamdy Abdel Wahab Abdel Wahab Mohamed Outta**, in his capacity as the Managing Director and delegated by the company general assembly.

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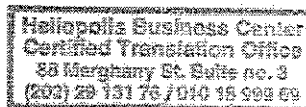
## PRELUDE

Whereas the first party company "Seller" is an Egyptian joint stock company, established as per the stipulations of the Joint Stock Companies Code 159/1981, with The Holding Investment Company "Lakah Group" being a subscriber to most of its capital. The company owns and manages an iron factory, located in land parcel no. 4 – Industrial Zone A3 – El-Sheiref land complex – Tenth of Ramadan City, total area: 33416.965. m<sup>2</sup>. The company issued on its ordinary general assembly meeting a resolution for selling most of the activity assets (attachment 1).

Whereas the second party "Buyer" is a company working in the domain of iron production and owns a factory in the Tenth of Ramadan City, close to the "Seller's" factory. Owing to the facility of transporting his products that the second party's factory uses for reaching the final product. The second party appreciated the savings realized from the closeness of the two factories,

Thus, the second party expressed his desire to purchase assets from the seller.

Thus, and in exchange for the pledges, conditions and provisions stipulated in this contract and after the two parties stated their legal capacity to contract,



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The parties agreed to the following:

ARTICLE 1

DEFINITIONS & INTERPRETATIONS

1-2 Definitions:

For the purposes of this contract and in addition to any other definitions that may be mentioned under different headings within this contract the following phrases shall bare the meaning stated hereunder:

- i. The contract: this means this contract, the preceding prelude, and the attached schedules and attachments, depending on the form these are completed, modified or re-written from time to time based on the agreement or agreements executed as per the provisions of this contract.
- ii. Based on the best knowledge: means the knowledge of one of the two parties stated, based on the information acquired upon conducting a diligent investigation for the operations predicted based on this contract.
- iii. Delivery: means completing the business deals predicted as per this contract in the same date of the

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- contract signature, as per a delivery proceeding signed by both parties or their representatives (attachment 2).
- iv. Delivery date: means the date of signing this contract, unless this date was changed in writing and signed by the buyer and seller.
- v. Implementation time: means the date of signing this contract, the date of the buyer receiving the price including the cash and payment instruments detailed in 3-2 (iii).
- vi. The rights of others: means all the rights or claims whether being in kind or personal, original or subsidiary, of any kind or type, including mortgage and concession and the right of easement, costs, agreements, pledges and restrictions, promise for contracting, priority rights, encroachments, conditional sales contract, rights to maintain ownership rights for the favor others as defined hereunder.
- vii. The allowed rights for others: means (1) the rights related to real-estate taxes and similar taxes that are not due or became mature after being stipulated. (2) The rights of others stated in Attachment 3, attached to this contract, and the seller pledged to pay;

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represented in the Sales Taxes for the factory machinery and equipment and were not paid. The seller shall pay these at due dates.

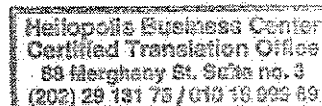
- viii. Person: means a natural person or a joint stock company or a limited liability company or a joint company or a union or wakf (Islamic charitable society established for holding assets for the benefit of the public of a certain group) or any other entity or any form of establishment; including the governmental entities or any of its departments, agencies, or body related to it.
- ix. Party / parties: means the buyer, seller, or both together, depending on the context.
- x. Tax / taxes: means all the taxes of any types in Egypt.
- xi. Others: meaning any person other than the parties of this contract and their affiliates.

**1-3 Interpretation:**

For the purposes of this contract and in addition to any other attached documents, the following rules shall apply to the interpretation of these mentioned instruments:

- i. Words: (in this contract), from this contract, as per this contract and any other words bearing similar

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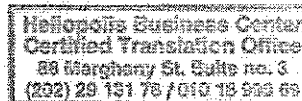
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meaning shall refer to this contract in full and not to a particular article, item or provision thereof.

- ii. All accounting terms, which were not defined otherwise in this contract, shall be understood and interpreted according to the Egyptian going accounting principles.
- iii. Any reference to a law, order, or stipulation or a group of laws, unless dictated otherwise by the context, shall be regarded as a reference to the mentioned law, order, stipulation or group of laws and to the by-laws issued in their regards, together with all modifications entered from time to time to these that are in force at the time and till the delivery date.
- iv. The articles and items titles were entered into this contract only for easy reference and shall not be recognized on interpreting or understanding this contract.
- v. Refereeing to a person or a party in this contract shall be regarded as and shall include a reference to the successor of this person or party or their liquidator.
- vi. Words indicating muscular include the feminine also, words indicating singular shall also mean the plural of the same and vise versa.

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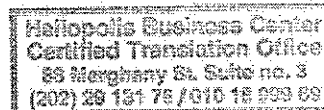
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ARTICLE 2

CONTRACT SUBJECT

- 2-1 **Assets Purchase & Sale:** the seller sells, transfers and forsakes to the buyer, who accepts these transactions as per this contract, all the rights of the seller and ownership of the owner regarding the purchased assets and any interest arising from them or through them, except for the excluded assets as per the provisions and conditions of this contract.
- 2-2 **Purchased assets:** these are all assets, ownerships and rights and upcoming claims of the buyer that are used in or related to the management of the activity, that are present at the delivery date; which are:
- i. All real-estate assets, including all lands, constructions and facilities and other structures present over these estates or related to them as well as all the rights of original ownership and the subsidiary related rights (real-estate ownership) detailed and specified in attachment 4. and
  - ii. All the production lines, machinery and equipment, cranes, tools, generators, furnaces, metal forging machinery, equipment parts mantling machinery and forms forging machinery including spare parts and service of all the above, that are owned by the seller

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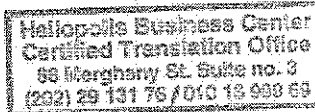
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and under his seizure, present inside the factory, stated in detail in the attached statement (attachment 6).

It is understood and agreed upon that the definition of the purchased assets does not include any of the assets excluded and defined as excluded assets in item 2-3 herebelow.

**2-3 Excluded Assets:** the following activities assets are excluded (Excluded Assets) and are not sold or transferred to the purchaser.

- i. Cash and the like, due accounts and due bills until the execution date and notes receivable.
- ii. All the expenses paid in advance and the postponed revenues, rights related to the wholesale deductions offered by suppliers and related to the activity at the implementation date.
- iii. All insurances, guarantees, and advance payments related to the activity at the implementation date.
- iv. All rights and claims according to any agreement, contract, or written document to which the seller is a party thereto, except those related to or attached to the purchased assets.



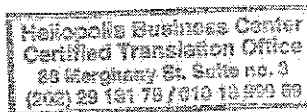
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- v. All the rights, ownerships, and assets of the activity that were transferred or transacted in by the seller prior to the implementation date, during the usual business.
- vi. All the rights related to refunding taxes paid and the claims related to paid taxes refund, the accounts paid to the taxes, the amounts deducted from the taxes, and any tax advantages related to the buyer whether being due before or after the implementation date.
- vii. All the other assets and properties, rights and other claims not mentioned among the purchased assets.
- viii. All the assets stated in the draft statement (attachment 7), that the buyer states and accepts irrevocably to keep these assets as a trust kept with him inside the walls of factory as a safekeeping until the seller move or transfer them to another location. The buyer undertakes to preserve and protect these properties and to deliver them back in the same condition received. He shall not operate these properties or move them from their place until the buyer remove them and transport them to another location after resolving the conflict arising in their regards. The buyer is aware of these items and he pledges and shall abide by allowing



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the representatives, maintenance people delegated by  
the seller for performing this task

**2-4 The buyers obligations and liabilities:**

The buyer shall bare and pledge as of the delivery date, to pay, perform, and acquit the seller of the following obligations and liabilities, as per their said conditions (transferred obligations):

- i. All the obligations and liabilities due on the seller or activity or those arising after the execution date as per all the contracts, and also the licenses and permits that are included in the purchased assets, except for the items stipulated upon in item 2-5, herebelow.
- ii. All the obligations and liabilities arising from or related to the ownership of the buyer to the purchased assets after the implementation date.
- iii. All the seller obligations stipulated by the law towards the employees; including their advantages at the implementation date and those listed together with their advantages received in the attached list (attachment 8). These employees shall become subordinates of the buyer at the implementation date or after that date and the buyer had signed

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